Slow Pace Seen For Revamping Security Policies

Officials Cite Concerns Raised by Spy Cases

By STEPHEN ENGELBERG
Special to The New York Times

WASHINGTON, July 27 — Senior officials in Congress and the Reagan Administration say it will take years to fully repair the weaknesses in security policies brought to light by the recent series of damaging espionage cases.

Despite the distress sparked by last year's breaches in the nation's most sensitive military and intelligence agencies, proposals for security improvements are moving at an uneven pace, and have been slowed in some instances by interagency disagreements over how best to deal with the problem, the officials said.

"I think we're way behind and we have a long way to go," said Senator Patrick J. Leahy, the Vermont Democrat who is vice chairman of the Select Committee on Intelligence. "With some notable exceptions, particularly in the C.I.A., I don't think near enough has been done. If this were private industry, the board of directors would be fired for a performance like this."

Lack of Overall Policy

But Administration officials say they have begun a major effort to protect sensitive information and assign greater importance to security issues. They say that some initiatives, such as a 16 percent reduction in the number of people who have access to secret information, are already showing results, but they acknowledged that others will take substantial time to carry out.

A Senate Intelligence Committee report issued late last year found "troublesome evidence of a lack of overall national policy guidance, especially with regard to security programs and countermeasures that are supposed to protect classified information."

Just last week, Jerry A. Whitworth, one of 11 Americans charged with espionage last year, was convicted on 12 of 13 counts of spying for the Soviet Union and tax evasion. Security experts say the Whitworth case and the others have each pointed up major weaknesses in security, personnel and counterintelligence policies.

Employees at various agencies were able to smuggle secret documents out of buildings, unimpeded by even a random search of briefcases. And officials say the cases point out the threat posed by the number of diplomats allowed to staff Soviet posts in the United States.

A key area of concern is the granting and renewing of security clearances; the spy investigations have shown that people can be cleared for access to secret data early in their careers and then never be re-examined.

John A. Walker Jr., a former Navy chief warrant officer who recruited Mr. Whitworth as a spy, was, for example, never reinvestigated from the time he received a top-secret clearance in 1965 until his retirement in 1976. Mr. Walker, who pleaded guilty to espionage last October, began spying for the Soviet Union by 1968, and Federal investigators say he was paid more than $1 million over the next 10 years.

Mr. Whitworth's first re-examination did not come until nine years after he received his top-secret clearance and he was approved. But he had begun passing sensitive information to Mr. Walker four years earlier, in 1974.

Since 1983, Pentagon rules have required reinvestigations every five years for those holding clearances of top secret and above. Periodic reappraisals are crucial to improving security, said Mary C. Lawton, the Justice Department's Counsel for Intelligence Policy.

"If you look at all the spy cases," she said, "most people were pretty clean coming in. They soured afterwards."

A Four-Year Backlog

More than 90 percent of the 3.5 million security clearances are held by members of the armed forces or military contractors, and Pentagon officials estimate that the current backlog of people awaiting reinvestigation numbers 250,000. L. Britt Snyder, the Pentagon's Director of Counterintelligence and Security Policy, acknowledged that it would take as long as four years to eliminate the backlog.

Mr. Snyder said that Congress last year gave the Defense Investigative Service, which carries out the investigations, an additional $25 million to hire 600 to 700 additional investigators. The money was not included in the Administration's budget request for the Pentagon and was added by Congress.

Senator Leahy contended that the Defense Department's budget requests have routinely slighted security programs in favor of more visible items like new weapons. "The problem is, they're much more into public relations than security," he said. "Security measures are not glamorous. No one gets to sit on the bridge and command them. We just don't see the Secretary of Defense or the Secretary of the Navy up here asking for more money for security."

Mr. Snyder said the Pentagon had begun to carry out the recommendations of a commission headed by Richard G. Stilwell, a retired Army general. Among these are plans, beginning Oct. 1, to expand the investigation required for the clearances to use information classified "secret."

The expanded investigation will include a credit check and written inquiries to previous employers. Now, access to "secret" information — which nearly three million people have — is granted if the serviceman or employee does not show up on the files of the Federal Bureau of Investigation or Pentagon investigative agencies.

A more extensive background investigation, involving interviews with references, is done only for top-secret clearances.

Government Changes Slowly

"To me, the pace seems pretty fast because it takes so long for anything to change in the Government," said Mr. Snyder. "Things are happening in due course, although it may look slow to an outsider. It takes a long time for a place the size of D.O.D. to make its policy changes felt at the lowest levels."

Mr. Snyder and others said that one of the most significant changes in the past few years was the high-level interest in the problem, spurred by the spy cases. "In the past, people who raised these subjects tended to be scoffed at," said Roy Godson, a Georgetown University professor who served on the Central Intelligence Agency's transition team when the Reagan Administration was first taking office. "Now they're taken seriously. Still, there's still a long way to go between a commitment to change and actually making improvements in security for a vast bureaucracy."

The espionage cases have also illustrated specific failings in the agencies involved. The Central Intelligence Agency, for instance, has been revising its personnel rules since the case of Edward L. Howard, a former officer who was dismissed after being trained for service in Moscow. Officials familiar with the case say that Mr. Howard was able to tell the Soviet Union about American techniques for contacting agents in Moscow. This in turn allowed the Russians to make a series of arrests and expulsions, and in at least one case, the execution of a Soviet citizen working for American intelligence.

Mr. Howard was dismissed from the C.I.A. after failing a polygraph, or lie-detector, test on drug use and other misdeeds. Under its new policy the agency would place such an employee in a less sensitive position, rather than dismiss him outright and jeopardize the information he possessed.

2.

Interagency Study Group

One Administration effort to improve security throughout the Government has gained momentum this year after several years of inactivity. An interagency committee headed by Miss Lawton of the Justice Department, which began meeting in 1983, is rewriting the 33-year old executive order that sets standards for granting security clearances and investigating employees.

On May 1, 1984, the committee asked the National Security Council for guidance on the scope of its work, but it got none for nearly two years. The council finally resolved the questions last February, after Congressional insistence.

Miss Lawton of the Justice Department, who is chairman of the panel, said she expects its work to be completed by the end of this year. She said the group has been struggling to come up with procedures and rules that would improve security while still meeting the Defense Department's need for upwards of three million security clearances for employees and contractors.

Cost Is a Key Factor

Cost and practicability are important considerations in the committee's work. One proposal that was considered and rejected called for clearance holders to submit an annual form on personal financial data. But the Pentagon reminded the group that this would require hiring enough people to read and analyze a cascade of three million new records each year.

"Ideally, you would have person-by-person judgments based on a background investigation for every single person, but we can't afford that," said Miss Lawton. "Our attitude is: 'What is the best we can reasonably expect?' There is no way we can reach ideal." She said the Pentagon has estimated that it would cost $80 billion annually to perform a full investigation, complete with field interviews, of all personnel and contractors who have access to classified information.

Another perennial Government effort called for by numerous studies is a reduction in the amount of classified data. The theory, according to counterintelligence experts, is that when everything is classified, nothing is. Cutting the amount of classified information has proved difficult for the Reagan Administration. According to an annual report by the Information Security Oversight Office, the total number of decisions to classify data rose by 14 percent from 1984 to 1985, to a total of more than 22 million. In 1981, there were 17.3 million such decisions.